

For Our Customers (Business Strategy)

Eighth Medium-term Business Plan Themes

Connect value chains (VC) and create new value to deliver “Healthy Life Through Foods” globally

◇ Three Initiatives

Accelerated growth based on VC management	<p>Seize new business opportunities, strengthen profitability</p> <p>We will expand the contact points of the three VCs (Spice, Functional Ingredients and Soybean) that have business bases not only in Japan but also on a global scale</p>
Establishment of a VC system	<p>Gradually transition management resources to an organization that can make decisions based on “VC optimization”</p> <p>Spice: VC integration is focused on House Foods</p> <p>Functional Ingredients: Reinforce the functionality of House Foods Group Asia Pacific and set up the VC Promotion Conference</p> <p>Soybeans: Enhancing the functionality of House Foods Holding USA Inc. as an operating holding company controlling Soybean VC</p> <p>Group Headquarters: Reinforce the foundation that supports VC management</p>
Creation of new value through collaborative creation	<p>Promote initiatives aimed at building business models through collaborative creation with internal and external partners</p> <p>Taking on the challenge with Value-added Vegetables VC positioned as our new business</p>

◇ Medium-term Business Plan KPIs

Item	FY2024 results	Eighth Medium-term Business Plan (FY2026) targets	Ninth Medium-term Business Plan (FY2029) targets
Net sales	315.4 billion yen	360.0 billion	450.0 billion
ROS	6.3%	7.5%	8.9%
EBITDA margin	10.8%	11.4%	12.7%
ROIC	4.5%	6.0% or higher	8.0% or higher

Q. Please tell us about the initiatives in the first year of the Eighth Medium-term Business Plan.

Under the theme of our Eighth Medium-term Business Plan, “striving for growth by building a global value chain,” we are working to strengthen our profitability by capturing new business opportunities.

In terms of business performance, House Foods, which is responsible for our core business, led the efforts overall thanks to the residual effects of price revisions implemented in FY2023 and a recovery in sales volume due to the implementation of measures for stimulating demand. However, many other Group companies faced challenges, and this year we were reminded of the need to strengthen the revenue base of each Group company. In particular, in our overseas food business, which has supported the Group’s growth so far, the US tofu business posted a loss due to struggling sales at Keystone Natural Holdings (KNH), which we welcomed into the Group three years ago. The curry business in China also saw a decline in profits due to a focus on optimizing inventory that had ballooned due to the COVID-19 pandemic, which presented challenges in both the US and China.

In the medium term, we will take a step-by-step approach in the Spice VC to consider how to develop a strategy and the structure and management necessary to pursue it, and House Foods, which is responsible for the core business, will take the lead in expanding the business from domestic to global customer contact points. We are also steadily investing in growth, and in the domestic commercial business, a growth area, we will start operations at the House Foods Group Tohoku Factory in 2026, which uses a new method for manufacturing a wide variety of products in variable quantities. Furthermore, in our Indonesian curry business, where we are working to develop a new market for Japanese-style curry rice following our efforts in Japan and China, the household-use business, which began sales in February 2024, is off to a good start and we established a new production subsidiary, House Foods Indonesia, and have begun construction of a second factory.

In existing business areas in Thailand, for the Functional Ingredients VC, we are focusing on increasing the amount of vitamin C in flagship *C-vitt* products to revitalize the vitamin drink market, and on launching new products to create a multivitamin market. At the same time, we are also working to develop new areas beyond Thailand.

In the Soybean VC, KNH’s high-priced PBF business has been hit by the sharp rise in prices in the United States, causing a significant decline in business performance. To address this issue, we established a meeting body for reforming our profit and loss structure, through which we have identified many issues and discussed solutions for them. After making profit and loss by product more visible, we formulated a revival plan which we will begin implementing in FY2025.

Going forward, we will continue transforming the Spice VC into an entity that can play a major role in global expansion, and will accelerate efforts to further strengthen and expand the VC foundations in the Functional Ingredients and Soybean VCs.

Hiroshi Urakami
Representative Director & President,
House Foods Group, Inc



For Our Customers (Business Strategy)

● Spice Value Chain

Direction of the Eighth Medium-term Business Plan

In the Eighth Medium-term Business Plan, we have formulated a strategic story that considers the vertical connections binding value chains (VC) upstream and downstream, and the horizontal expansion that comes from expanding customer contact points globally. House Foods will use the expansion of customer contact points (horizontal strategy) to transform itself into a leading player in these VCs. Additionally, in the BtoB area, we will transform House Gaban into a “solutions company” that can provide solutions globally, including incorporating sales strategy functions in Southeast Asia. As a vertical strategy, the R&D department will take the lead in pursuing flexible procurement and cost competitiveness for upstream raw materials, primarily spices, while also working to create value through innovations in manufacturing and production methods.

The Spice VC operates under this concept, and in this report we focus on, (1) House Foods’ efforts to transform itself, (2) House Gaban’s efforts to expand its presence in commercial business, and (3) efforts to create value globally.



Progressing with employees toward self-transformation

In the Eighth Medium-term Business Plan, House Foods’ role changed significantly from its previous core business of generating stable cash and developing human resources to leading the transformation and growth of the Spice VC. In FY2024, the first year of the Eighth Medium-term Business Plan, we have gone beyond conventional thinking to address a rapidly changing environment, and have worked to strengthen the revenue base of existing businesses and expand customer contact points by leveraging our procurement and development technological capabilities. Going forward, our role and scope will expand beyond domestic to global BtoC, and, to ensure all employees take growth and change personally, we have focused on reforming our organizational culture and awareness through direct communication at all bases. This enables collaboration across companies and departments, and is allowing management and worksites to share the same perspective in discussions on how to provide value that is more than just an extension of the past. For example, in our production and R&D departments, we have begun lively and concrete discussions on the theme of “future manufacturing,” which focus on reducing environmental impact, improving production efficiency, and anticipating the future business environment and customer needs.

We also started transferring some functions of the Group headquarters to House Foods in April 2025. This will enable House Foods to take the lead in formulating a global strategy centered on curry and spices, including determining the global brand, product development and quality assurance tailored to the food culture of each region, and a sales system that includes exports. There are many areas where House Foods can leverage the strengths it has cultivated in Japan by sharing domestic and international assets, resources, and know-how, so we are working to link this to future growth.

There are two years left in our Eighth Medium-term Business Plan, and we want to start by accumulating successful experiences by incorporating a VC perspective into the strengths we have cultivated in Japan, and share the “image of growth for House Foods” with all our stakeholders. We will also advance the realization of the Spice VC strategy and establish a system and mechanisms to further enhance its effectiveness, which will lead to the creation of new value and make us more competitive.

Kotaro Kawasaki

Senior Managing Director
House Foods Group Inc.
Representative Director & President
House Foods Corporation



R&D Department Initiatives

House Foods’ R&D Department is moving away from traditional BtoC-centered product and technology development and aims to contribute to the entire Spice VC industry both in Japan and overseas. In the Eighth Medium-term Business Plan, we outline initiatives for working to (1) strengthen procurement flexibility and cost competitiveness by connecting upstream materials, mainly spices, with technology, and further create new demand and expand customer contact points, and (2) establish a new style of innovation for the Spice VC. In this context, we set themes in the first year of the medium-term plan that will contribute to the entire VC, such as “developing technologies that could become future core competencies and implementing them in our business” and “rethinking an asset-light production strategy that is global and optimal for the Group,” and expanded the breadth of our role.

Our efforts have resulted in technological developments in the form of intellectual property and strengthened competitiveness in upstream areas, and the seeds of new businesses are beginning to grow. Using these new technologies as a starting point, we are exploring new businesses not only through BtoC but also through Spice VC operating companies and external co-creation.

Our global strategy is to combine our fundamental technology with research into food culture in each region to create value that meets needs, and to circulate the knowledge and know-how gained in the process within the VC. For example, in Indonesia, we have developed a roux with minimum portions of 20g (equivalent to two servings) to achieve a price that allows our target middle-class customers to make repeated purchases. We will also introduce the latest production technology at our new factory in the country. This technology has been verified as suitable for local food culture, and we will continue to pursue reverse innovation that transcends domestic and international boundaries and realizes products that meet the needs of individual diets.

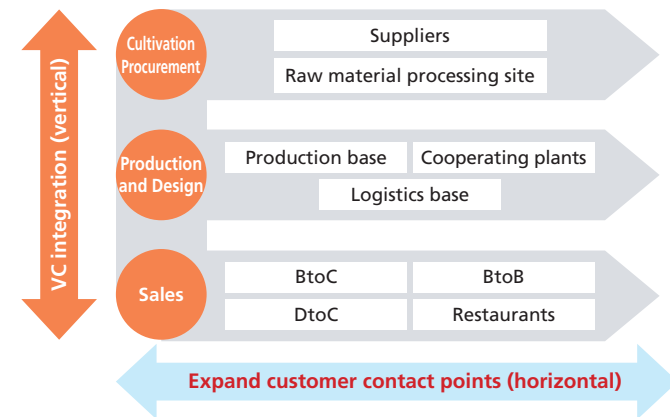
Our R&D Department has an organizational culture that allows employees, who are also consumers, to transform their daily dietary challenges and their own thoughts into unique value. We believe that the intersection of this organizational culture of value creation and a VC perspective will contribute to the Spice VC as a whole.

Atsushi Nakashima

Director
Manager in charge of the Research & Development Institute
Responsible for the Quality Assurance Division
House Foods Corporation



■ Perspective of promoting the Eighth Medium-term Business Plan: Spread of VCs



For Our Customers (Business Strategy)

● Spice Value Chain



House Gaban initiatives to expand its presence in the commercial market

Expanding our presence in the commercial market

House Gaban was established in April 2023 through a simplified absorption-type split in which Gaban took over House Foods’ domestic commercial food business in order to grow its BtoB business. Our food service business clients range from general and major food service companies such as restaurants and hotels to home meal replacements and processed food manufacturers, and responding to their diverse individual needs is essential to making us more competitive. In the face of these challenges, our strength lies in combining House Foods’ wide range of highly processed products, such as roux and retort pouched products, with Gaban’s expertise in spice ingredients, which will enable us to further expand the value we provide while building on the brands and products of both companies that have many satisfied customers. We will leverage this strength to become a “solutions company able to respond and propose solutions to meet individual customer needs.”

Under the Eighth Medium-term Business Plan, we are working to realize the business models we envision, namely, a “scrum-type development sales system (single-step support from sales to development to production)” and “manufacture of a wide variety of products in variable quantities,” in order to achieve our vision. We will also expand our points of contact with customers in the highly versatile seasonings and ingredients sector, which we have positioned as a growth area. In FY2024, the first year of our Medium-term Business plan, the entire Group began working to build an optimal BtoB business structure that will enable us to produce a wide variety of products in variable quantities and to integrate product development, sales, and production. We also decided to establish and start construction of a commercial retort factory (House Foods Group Tohoku Factory). In terms of sales and development, we are working to expand customer contact points by going beyond the boundaries of our operating companies and leveraging the technologies the Group owns. Since the integration, we have been promoting initiatives at House Gaban aimed at maximizing synergy effects, primarily in sales. The numerous processing technologies we have developed in the household-use business have the potential to provide clues to solving problems for food service business customers as well. As we take on the challenge of collaborating beyond existing frameworks and fields, we will strive to grow further as a company that leads the Spice Value Chain (VC) food service business.

Seiji Ikoma

Representative
Director & President
House Gaban
Corporation



IN FOCUS

Initiatives for building business models suited to the commercial market

Our Group sees food service business as one of the growth drivers in the Spice VC. In recent years, the restaurant industry has seen an increase in demand for commercial restaurant foods, which offer highly reproducible flavors and support simple restaurant operations, due to diversifying food needs and labor shortages, and this demand is expected to continue to grow significantly. To address this business environment, House Gaban is striving to respond flexibly and quickly to diversifying customer needs by having its nationwide sales and R&D teams, along with the Planning Department that oversees them, work together to expand contact points with customers. By focusing R&D on meeting customer needs in a timely manner, we will be able to develop and sell products with an emphasis on speed in the rapidly changing restaurant industry. In the future, we will use digital transformation to produce product proposals faster and more accurately.

Amid these efforts, the next step for our Group is to build the House Foods Group Tohoku Factory in Fukushima City, Fukushima Prefecture, a new factory for commercial retail foods that will introduce new methods for producing a wide variety of products in variable quantities. The factory is scheduled to begin operations in June 2026 as a production base primarily for commercial retort curry. When this factory goes into full production, House Gaban will be able to build a system that can respond quickly and consistently to all aspects of product development, sales, and production. Going forward, we will work to expand our food service business and strengthen our profitability by proposing better solutions that meet individual needs, and by improving productivity.



House Foods Group Tohoku Factory (Image of factory's Exterior)

Creating food together that warms the heart

House Gaban manufactures food service products specializing in flavors and fragrances. We provide quality products and ideas to those in the food service business, often collaborating with professionals with excellent skills and intuition, to deliver food that will warm the hearts of customers.



Show kitchen located at headquarters

IN FOCUS

Helping resolve problems in the restaurant industry

House Gaban has released curry flakes that form a “curry sauce base that can be boiled in hot water,” reproduce flavor well, and fit easily into store operations. In the restaurant industry, where labor shortages have made it difficult to maintain traditional operations, this product is highly regarded because it is delicious and reduces cooking operations, and was awarded the 28th Commercial Processed Food Hit Award, sponsored by the Japan Food Journal.



House Gaban Corporate Philosophy

For Our Customers (Business Strategy)

● Spice Value Chain



Initiatives for creating value globally

IN FOCUS

Curry business in China

Chinese food service business takes on the challenge of traditional food culture

To sustain growth in China's food service business, it is essential to build a presence in the Chinese cuisine market, which is said to account for approximately 80% of the 4.7 trillion yuan restaurant market. What prompted this need was independent restaurants going out of business due to the COVID-19 pandemic, and multi-location wide-region operators (such as restaurant and convenience store chains) emerging to fill the gap, making it essential to devise strategies to compete with them. Since this trend will accelerate in the post-COVID market environment, we have adopted a policy of "shifting to solution-based sales" and away from traditional sales of curry products mainly to individual restaurants.

Based on our slogan of "developing markets for 'curry rice and curry dishes,'" we are working to shift to solution-based sales for solving customer problems through menus, starting with building an organizational structure. We have established a sales support organization with the aim of strengthening our menu proposal and development capabilities, and have also hired a chef dedicated to developing menus tailored to customer needs and established a test kitchen.

Since 2024, we have seen steady progress in introducing curry-flavored menu items to Chinese cuisine chains (including major chains) (serving noodles, meat buns, Sichuan cuisine, traditional regional cuisine, etc.), and we are seeing positive results from this initiative. We will continue to create new points of contact with consumers by fusing Japanese-style curry with rice, noodles, steamed buns, stir-fried vegetables, and other local food staples, with an aim to achieve sustainable growth.



Strengthen development functions by hiring a dedicated chef

IN FOCUS

Restaurant Business

Bringing Japanese curry rice to the world Briskly, Sharply, and with a Smile

Curry House CoCo Ichibanya began full-scale overseas expansion in 2004 with the opening of its first restaurant in Shanghai, China. Since then, its Japanese-style curry has made its mark in other Asian countries such as Taiwan and Korea, and in 2011 it opened its first restaurant in Los Angeles, USA. In 2020, we realized the long-held ambition of opening a restaurant in India.

As of February 2025, Curry House CoCo Ichibanya has opened 216 restaurants in 12 countries and regions, and is winning the hearts of customers around the world through both the delicious taste of Japanese-style curry and its "Briskly, Sharply, and with a Smile" service.

*The Ichibanya motto. Refers to always moving briskly and responding sharply with a smile.

IN FOCUS

Indonesian curry business

Raise awareness of Japanese-style curry for both home and commercial use

Our Group opened its first Ichibanya store in Indonesia in 2013, and PT House and Vox Indonesia, Inc. began selling Halal-certified commercial roux products in 2016. The curry business has grown steadily in Indonesia due to the popularity of Japanese-style curry and the spread of Japanese food in the country. In addition, Indonesians eat a large proportion of their meals at home, and with the increase in dual-income and nuclear families in urban areas, there is a growing need for easy and convenient processed foods. In 2024, Sasa House Foods Indonesia began selling home-use roux products.

Our home-use roux products have been highly praised for the ease with which they can be used to create flavors that suit local tastes and for how easy they are to prepare. In Indonesia, which has the largest economy in Southeast Asia and excellent growth potential, we will continue to expand customer contact points for both home and commercial use products.



Home-use roux products sold via hanging displays

Establish a subsidiary to produce Halal-certified curry roux products (for home and commercial use)

In April 2025, we announced plans to establish a production subsidiary and build a new factory in Indonesia. This will be our Group's second curry roux factory in Indonesia and our sixth overseas.

The roux products to be produced for home and commercial use will be sold mainly within Indonesia, but we also have plans to expand sales to the global halal market. We will look to further strengthen our production system in line with the progress of our promotional activities, and will work toward creating a business with net sales of 10 billion yen.



Household-use products

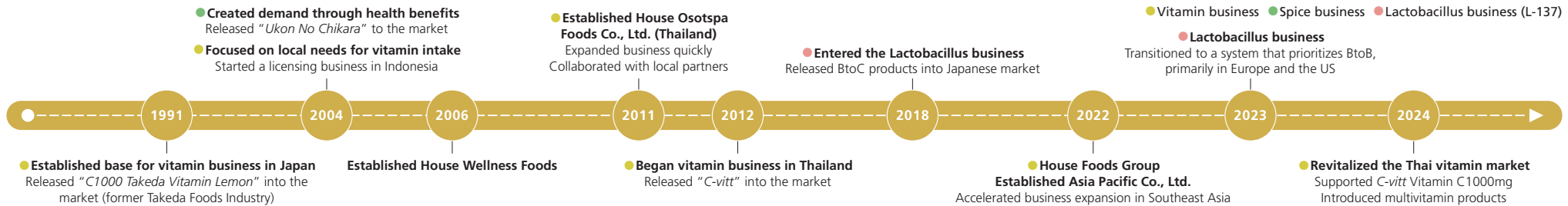


Food service products

For Our Customers (Business Strategy)

● Functional Ingredients Value Chain

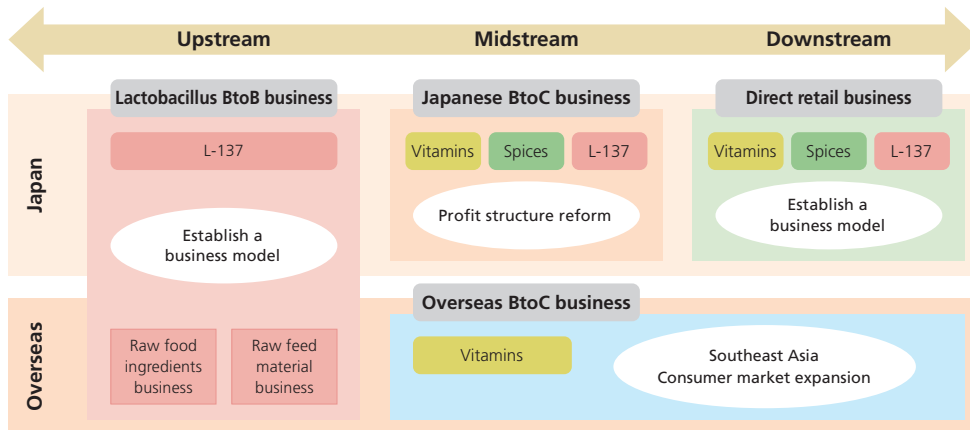
History of the Functional Ingredients VC



Direction of the Eighth Medium-term Business Plan

In the Functional Ingredients Value Chain (VC), we position vitamins, spices (turmeric), and lactic acid bacteria as strategic ingredients, providing them to customers in delicious and readily consumable forms that leverage the efficacy and effects of each ingredient from the perspective of the three health-related elements of "nutrition," "vitality," and "maintenance," thereby helping our customers live healthy longer, and improving their quality of life (QOL). In the Eighth Medium-term Business Plan, we aim to develop our business globally by focusing on these three ingredients.

As for the main initiatives for each of these businesses in the first year of the Eighth Medium-term Business Plan, in the domestic BtoC business, we focused on expanding the vitamin business. Sales in the vitamin business remain strong thanks to expanded promotional measures, product renewals, and the addition of new products. In our overseas BtoC business, which also operates a vitamin business, we took advantage of changes in regulations in Thailand to launch a product for which we increased vitamin C to 1,000 mg. We also launched a multivitamin product to create a new market for vitamins. Our lactic acid bacteria BtoB business is seeing increasing adoption of its products as food ingredients by leading companies both in Japan and overseas.



Envisioning growth in Southeast Asia centered on the vitamin business

We are working to create markets in Japan and Southeast Asia for products that enable anyone to get plenty of vitamins, anytime, anywhere. The Functional Ingredients VC has its roots in the vitamin business, as it has been more than 50 years since we started production in Japan, and 35 years since we launched C1000, our main domestic brand. In Japan, where our vitamin business originated, people have become more health-conscious since the COVID-19 pandemic, and so the preferences and motivations that lead them to consume vitamin drinks are becoming more diverse. We will continue to expand our product lineup and develop new vitamin drink products, aiming to further expand this business as the core of our domestic BtoC business.

In Southeast Asia, we launched C-vitt products with the aim of establishing a drink market in new areas (the Philippines and Vietnam). In Thailand, we will work to expand into the multivitamin sector to give consumers more opportunities to gain nutritional benefits from taking vitamins. While Southeast Asia has growth potential, customer needs are diverse. We will achieve sustainable growth by developing our business in consideration of the market conditions in each region.

Chihiro Kurata
Representative
Director & President
House Wellness Foods
Corporation



Vitamin products available in Japan



Vitamin products available in Southeast Asia



For Our Customers (Business Strategy)

● Functional Ingredients Value Chain

Vitamin drink business case study

IN FOCUS

Functional Ingredients VC Creating a global brand that transcends domestic and international boundaries

To promote the Functional Ingredients VC, we held a “C1000 × C-vitt Summit” to share knowledge and know-how about the vitamin business both domestically and internationally, with the aim of creating a global brand. We shared examples of the development of C1000 in Japan, YOU C1000 in Indonesia, and C-vitt in three Southeast Asian countries, and discussed directions of horizontal expansion. This initiative brought representatives from operating companies and the House Foods Group’s R&D department together to share their thoughts on the differing customer needs that arise from different lifestyles in different areas, and the common values the brands should provide.



Workshops

IN FOCUS

House Osotspa Foods Co., Ltd. Strategy for growing our vitamin drink business in the Thai market

Our C1000 vitamin drink launched in Japan in 1991, and as a result of our steady use of the technology and knowledge to produce a vitamin drink that is both tasty and functional, it is now sold as “C-vitt” in Thailand. House Osotspa Foods Co., Ltd. specializes in marketing and product development, which are strengths of the Group, and has successfully established C-vitt as a leading brand of vitamin C drink. C-vitt initially contained 120 mg of vitamin C, however changes in regulations there now allow us to add up to 1,000 mg. House Osotspa Foods Co., Ltd. was the first to capitalize on this and relaunch a new product containing 1,000 mg of vitamin C. In addition to product development, the company is also focusing on marketing efforts to improve brand loyalty by promoting it as a brand that provides plenty of vitamin C. We also launched “One Day Vitamins,” a new concept product that allows consumers to take in a day’s worth of balanced vitamins, and are working to develop new demand for the product.



IN FOCUS

House Wellness Foods Developing Products in Response to Diversifying Customer Needs

In Japan, people have become more health-conscious since the COVID-19 pandemic, and the flavors and motivations to consume vitamin drinks are becoming more diverse. House Wellness Foods, which is responsible for the domestic BtoC business, has previously worked on customer-centric product development such as partially using rubber parts in the caps of its “Ichinichibun no Vitamin Jelly” to make them easier to open. Following on from this, in February 2025, the company significantly renewed and added new products to the lineup of its long-selling “C1000” series, which has been a customer favorite for many years.

Among these new products, C1000 Vitamin Lemon Zero Sugar* is targeted at health-conscious customers concerned about their sugar intake, and is also an example of horizontally expanding the “C-vitt 0% sugar” concept, which has been well received in Thailand, to the Japanese market. In this manner, the Functional Ingredients VC is developing products that meet customer needs by utilizing knowledge that transcends national boundaries between Japan and other countries.

*Based on food labeling standards, products containing less than 0.5g of sugar per 100ml are labeled as zero sugar.



Cap made partially from rubber parts



The C1000 website, designed with user-friendliness in mind.

IN FOCUS

House Foods Group Asia Pacific Co., Ltd. Taking on the challenges of creating new markets

House Foods Group Asia Pacific Co., Ltd. is an intermediate holding company we established in April 2022 through which we are working to create vitamin drink markets in the new areas of the Philippines and Vietnam. We are focusing on modern trade marketing and increasing brand awareness. This company also has R&D capabilities that allow us to rapidly develop products in Southeast Asia, primarily Thailand, and to create new markets in new areas by developing products tailored to the preferences and typical drinking habits of local customers.

For Our Customers (Business Strategy)

● Soybean Value Chain

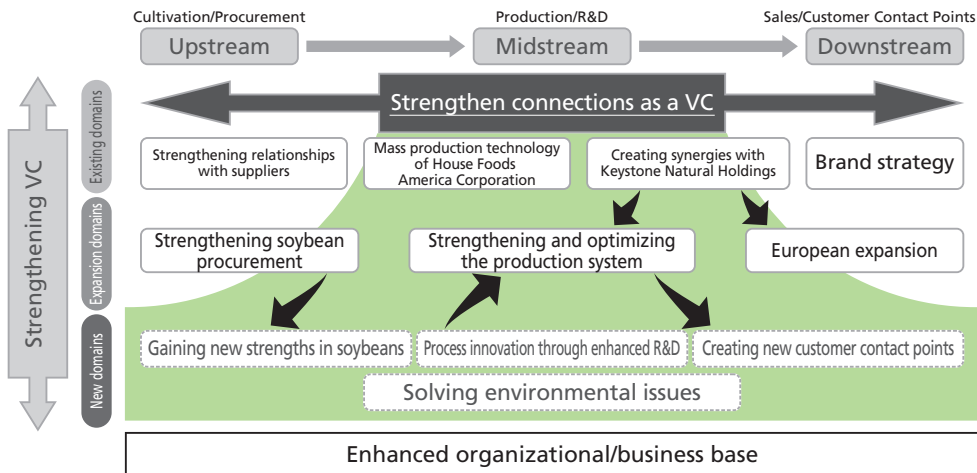
History of the Soybean Value Chain



Direction of the Eighth Medium-term Business Plan

In the Soybean Value Chain (VC), we aim to achieve sustainable business growth through the global expansion of PBF with tofu at its core to realize the Group philosophy and fulfill our “Three Responsibilities.” From a medium- to long-term perspective, we are working to expand our presence in the PBF market, and will work to strengthen our ability to build customer contact points by increasing brand awareness and developing new areas and channels. Meanwhile, in the short term, taking into account current business performance trends, we implemented organizational restructuring in January 2025 to integrate the strategic, sales, and marketing functions of all of our US tofu businesses. We will now introduce our efforts in the Soybean VC to solve current issues while aiming for sustainable growth.

■ Eighth Medium-term Business Plan Initiatives



Leveraged strengths to expand presence in the PBF market

Under our Eighth Medium-term Business Plan, we aim to grow our Soybean VC business beyond the US tofu business, and are proceeding with management in line with this aim. Finding the best way to consume a balanced amount of protein is one of the ongoing dietary challenges in the US food scene. The decline in market demand for meat alternatives is due to factors such as ultra-processed production processes, consumer resistance to additives, and relatively high retail prices. However, our tofu products, veggie burgers, and other plant-based foods such as tempeh, seitan, and soy milk are minimally processed products made from natural ingredients, so they are produced based on a very different concept from meat alternatives. We are working to strengthen this portfolio and become a “trusted guide (good partner) in the plant-based food category” for the distribution industry and consumers. We want to bring out and enhance the inherent value of soybeans and other ingredients, and communicate this globally. We will also use global interest and trust in Japanese food culture and quality as a key advantage to implement our differentiation strategy.

To achieve this, we quickly embarked on organizational restructuring of the operating companies within the Soybean VC, which is something we were considering for the Eighth Medium-term Business Plan. We are starting new business processes, including integrating all company supply chains. Organically reconnecting business functions that were previously scattered across companies will enable us to create value even more effectively in the future. By combining the knowledge of the companies to conduct market analysis, improving the speed and success rate from product development to retail sales, and optimizing fixed costs, we will demonstrate resilience even in adverse environments, capture certain needs in the European and American markets, and strive to become a “reliable choice for a long and healthy life.”

Takayuki Doue

House Foods Holding USA Inc.
President



For Our Customers (Business Strategy)

● Soybean Value Chain

Initiatives for recovering business performance and achieving sustainable growth

In a business environment, where political, economic, and social conditions are difficult to predict, we are increasing the speed of management by establishing a flexible forum where we can provide input on circumstances to top management at Group headquarters so they can consider measures starting in FY2024. We have changed from managing profit and loss on an operating company basis to managing through two business units (tofu and PBF), and clarifying challenges and strategies for each unit. First, in the tofu business, by leveraging the strength of our Los Angeles factory, which increased production capacity in 2023, we achieved steady top-line growth due to our stronghold in the Asian sales channel, which is a large market. However, we face challenges in the mainstream

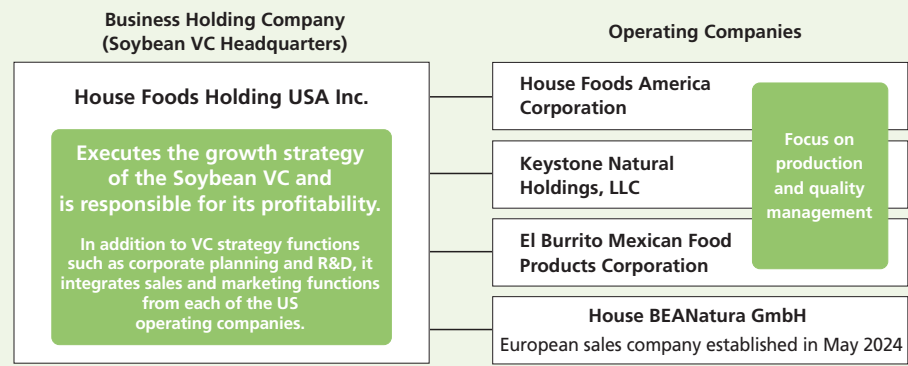
American sales channel because we lack contact points, so there is still room to grow. In addition to accepting orders for retail private brand products, we will also work to improve our ability to provide a wide range of value-added products and maximize profits per sales floor. In the PBF business, we will further select and concentrate on products based on their profitability, and concentrate resources in highly unique product categories such as tempeh, seitan, and soy milk. These two businesses share the same target customers, and thus allow us to provide more people with options for helping them get more protein by promoting various marketing activities to induce trial purchases, raising awareness of food culture, and communicating functional value.

IN FOCUS

Becoming more competitive by maximizing synergies between operating companies

To achieve sustainable business growth and resolve current issues in the Soybean VC, it is essential to maximize synergies between companies and to make the entire VC more competitive. Ever since we made it a part of the group in 2022, we have been working with Keystone Natural Holdings (KNH) to optimize logistics costs and have achieved some success. Meanwhile, the sales and marketing functions of the organizations of House Foods America and KNH have been virtually integrated, and we have worked to expand sales of both companies' products through cross-selling and other means. However, there are still many areas where we can improve, including doing better to clarify roles and responsibilities. To address these challenges, we reorganized the Soybean VC in January 2025, one year earlier than originally planned. For House Foods Holding USA Inc. to function as a business holding company, we are integrating the strategic, sales, and marketing functions of all companies doing business in the United States into it. Note that our US businesses will each shift their focus to improving quality and productivity as production subsidiaries. This will enable us to maximize top-line synergies by leveraging the strengths of each operating company, while at the same time establishing a management foundation for the VC, by, among other things, building an optimal production and logistics system more rapidly, leading to sustainable business growth.

■ Soybean VC Organizational Structure after January 2025



IN FOCUS

Sales and marketing initiatives aimed at expanding American market share

We restrained our marketing activities for a time in order to prioritize supply, but this organizational restructuring has led to a full resumption of these activities. By incorporating KNH strengths of speedy development and a highly agile work style, and integrating House Foods America Corporation's business processes for managing things like R&D, mass production, quality control, we are working to create value-added products faster and with greater certainty. One result of the collaboration following the reorganization, is that we will release new products such as vacuum-type tofu and baked tofu, primarily targeted at American consumers, into the market in the summer of 2025. We have carefully designed products to suit the lifestyles of our target demographic and their cooking habits, such as their use of ovens and air fryers, and have put a lot of thought into the packaging design, including creating familiar-feeling product form factors, popular dough textures, and flavors such as lemon herb. We will also promote initiatives to raise awareness of our products and strengthen contact points, including collaboration with the customer communication and sales departments and influencers.

With its House brands that include Nature Soy and Franklin Farms, House Foods Holdings USA, Inc. continues to lead the way in fostering a tofu culture, by interweaving tradition with innovation. By contributing to people's health and sustainability through business growth, we will position ourselves as a "reliable plant-based food company" in the United States, Europe, and other areas in the medium to long term.

■ New products primarily targeted at American consumers



For Our Customers (Business Strategy)

● Creation of New Value through Collaborative Creation (Value-added Vegetables Value Chain)

Direction of the Eighth Medium-term Business Plan

The Value-added Vegetables Value Chain (VC) has many elements of a new business, and we plan to use our Eighth Medium-term Business Plan under the theme of “creation of new value through collaborative creation.” In addition, as new business ventures, we are currently verifying two business proposals that were selected in the first phase of the employee new business solicitation program “GRIT” at a business demonstration subsidiary to verify the value the proposals provide. Under our Eighth Medium-term Business Plan, we aim to move at least one new value creation theme into a phase where it can be transformed into the next “growth potential of the Group,” and through these efforts, we will also inspire our employees to face new challenges and look to the future.

■ Initiatives for the Creation of New Value through Collaborative Creation

Measures	Details
Value-added Vegetables VC	• Explore business models such as factories for Smile Balls and plants
GRIT	• Continuously creating new businesses driven by the passion of our employees
CVC Fund	• Promote collaboration with venture companies to create business synergies

Initiatives for the Creation of New Value Through Collaborative Creation

VOICE

■ Value-added Vegetables VC Initiatives for stabilizing onion production and increasing value at the dinner table

Takumi Arakawa
Value-added Vegetables
Business
Development Division
House Foods Group Inc.



Yukiko Wakimoto
Value-added Vegetables
Business
Development Division
House Foods Group Inc.



In the Value-added Vegetables VC, we are challenging ourselves to explore the possibilities of new business models through collaboration with external parties, including the commercialization of “Smile Ball (onions with a less sharp taste)” and “controlled environment cultivation.” We have been producing and selling the Smile Ball we developed since 2015, and in the process we have accumulated knowledge and know-how regarding stable quality and stable production. On the other hand, various issues have become apparent, such as the impact of bad weather on production and a decline in the agricultural production population. Against this background, in June 2025, we launched the “Asutama-kai (Association for Continuing Onion Production Tomorrow)” to promote activities aimed at stabilizing onion production. Through this association we are working with contracted farmers to collect data on growing conditions and weather conditions, and have also begun developing new varieties. In addition to these efforts to resolve issues on the production and supply side, in 2023 we entered into a capital and business alliance with Nousouken Corporation and are promoting the creation of value at the dinner table through everything from developing vegetable producing areas to branding and marketing. Through the Value-added Vegetables VC, we will develop these activities together with our co-creation partners with the aim of realizing the concept of continuously delivering “vegetables you will want to eat again tomorrow” to the dinner table.



VOICE

■ New business GRIT: Tasu Me “Tasu Me,” born from the voices of working parents, is being used more in daycare centers, mainly in the Tokyo metropolitan area

Patchwork Quilt, a business demonstration company, is currently conducting business verification for the Tasu Me project, which was born from the open-call program GRIT, in which employees volunteer to take on the challenge of creating new businesses. During a temporary stint of 120 days when I was the sole caregiving parent for my family, I was so busy with work, childcare, and housework that when I went to pick up my eldest daughter from nursery school, I asked the principal if they would sell me the nursery school’s lunches, but I gave up after being told that it would be difficult from a hygiene standpoint. Meanwhile, when I learned that other parents had expressed similar concerns, I became convinced of the potential need for selling dinners at nursery schools, which led to the creation of Tasu Me. Tasu Me sells prepared food menus in microwave-safe retort pouches at nursery schools, which were developed under the supervision of nursery school registered dietitians. Full-scale operation began in October 2024, primarily at nursery schools in the Tokyo metropolitan area, with the aim of introducing the system to 200 locations in FY2025. This project has undergone repeated model changes in response to feedback from parents and nurseries in order to expand the number of nursery schools that adopt it. We will continue to communicate with nurseries in various locations and with various characteristics, and will continue to take on the challenge of creating a business that is “good for both parents and nursery schools.”

Hidetaka Ishii
New Business Planning &
Development Division
House Foods Group Inc.



Tasu Me was established at nursery schools

For Our Customers (Business Strategy)

Consolidated Performance Overview

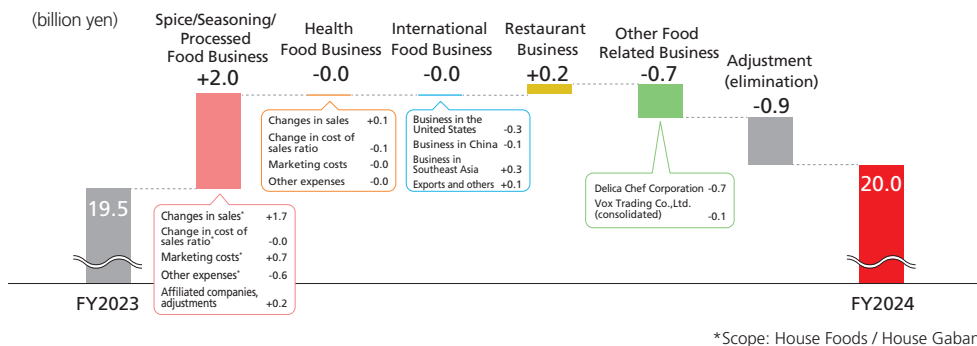
Review of FY2024

	Results	Changes from previous fiscal year
Net sales	315.4 billion yen	+15.8 billion yen
Operating profit	20.0 billion yen	+0.5 billion yen
EBITDA	33.9 billion yen	+0.9 billion yen
Ordinary profit	21.4 billion yen	+0.3 billion yen
Net income*	12.5 billion yen	-5.1 billion yen

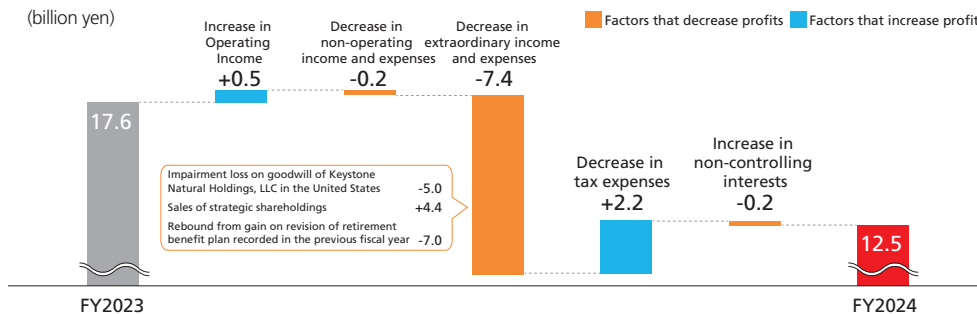
*Profit attributable to owners of parent

In FY2024, the Spice/Seasoning/Processed Food Business achieved increased revenue and profits on an operating profit and ordinary income basis, driven by the residual effects of the previous fiscal year's price revisions and cost reduction initiatives. However, net income attributable to owners of the parent decreased due to a rebound from gain on revision of retirement benefit plan recorded in the previous fiscal year and an impairment loss on goodwill of Keystone Natural Holdings (KNH), which was recorded in the fourth quarter of the consolidated fiscal year.

■ Analysis of operating profit fluctuations



■ Analysis of fluctuations in profit attributable to owners of parent



Plan for FY2025

	Forecast	Changes from previous fiscal year
Net sales	333.0 billion yen	+17.6 billion yen
Operating profit	21.5 billion yen	+1.5 billion yen
EBITDA	35.5 billion yen	+1.6 billion yen
Ordinary profit	22.4 billion yen	+1.0 billion yen
Net income*	13.0 billion yen	+0.5 billion yen

*Profit attributable to owners of parent

■ Key points of the consolidated earnings forecast

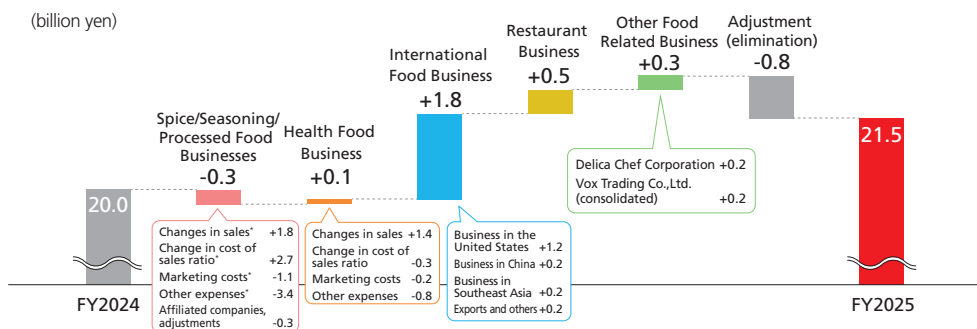
Addressing rising business costs (Spice/Seasoning/Processed Food Business)

In FY2025, the impact of rising prices of raw ingredients such as spices and rice is expected to be significantly greater than in the previous fiscal year. In addition, strong upward pressure on business costs, including personnel and labor costs, is expected to continue, and how we respond to this will be one of the key issues. In the short term, beginning in May 2025, we will revise the prices of our main products for both home and commercial use, and realize the effects of the price revisions by implementing proactive and dynamic demand stimulation measures to restore sales volume. We will also promote measures such as reviewing product designs that utilize our technological capabilities, taking steps to curb cost increases, and reviewing SKUs.

Reform profit and loss structure of business in the United States (International Food Business)

In response to the decline in business performance in the previous fiscal year, we will formulate a revival plan for the tofu and PBF businesses, and work to rebuild our profit and loss structure. For the tofu Business, we will work to expand sales volume in the American market, where there is room to expand market share, by returning to a basic 4P marketing strategy and using organizational integration to reallocate sales forces. At the same time, we will increase profitability by making more effective use of sales promotion costs. For the PBF business, we will prioritize products for which we will focus on expanding sales and products for which we will focus on improving profit structures, and we will rebuild the profit structure by promoting selection and concentration.

■ Analysis of operating profit fluctuations



For Our Customers (Business Strategy)

Strategies by Business Segments

Spice/Seasoning/Processed Food Business

FY2024 was a year in which we focused on stimulating demand, particularly for our mainstay curry products, and on implementing our revenue improvement strategy to generate sustainable profits. House Foods’ household-use business launched products with unprecedented approaches, such as ready-to-eat *White Curry* and *Black Curry*, and the *Curry de Nikuru* retort pouched products, and worked to create new dining settings for curry menus. In House Gaban’s food service business, we expanded sales to major restaurant chains by focusing on sales strategies for each channel, and revised prices of some spice products to absorb the rise in raw ingredient costs.

For FY2025, we project that profits will decline in the Spice/Seasoning/Processed Food Business due to rising raw ingredient prices, particularly for spices, as well as due to increased investment in human capital and upfront depreciation costs associated with growth investments. In response to the increasing severity of rising business costs, we revised the prices of our main products for both home and commercial use in May 2025. Although we expect a temporary decrease in sales volume, we aim to realize the effects of the price revisions as soon as possible by implementing dynamic demand stimulation measures. In addition, we will strengthen measures such as product design and reviews that utilize technology and optimize our product lineup compared to the previous fiscal year, and will work to continuously strengthen our business foundation and provide value that exceeds customer expectations.



Kotaro Kawasaki
Senior Managing Director
House Foods Group Inc.
Representative Director &
President
House Foods Corporation

Health Food Business

In FY2024, we worked to expand sales while maintaining profitability by strengthening brand power through effective marketing investments in key products in Japan. In the vitamin business, in particular, sales of “Ichinichibun no Vitamin Jelly” remained at the same level as the previous fiscal year due to intensifying competition in the domestic jelly market, but sales of *C1000* were strong thanks to enhanced demand stimulation measures and the launch of the product in the fourth quarter. Additionally, in the United States and Europe, our Lactobacillus business saw its ingredients for food products adopted and handled by leading local companies. In Southeast Asia, we focused on rebuilding the vitamin drink market in Thailand, building on the trends from the previous fiscal year, which saw changes in consumer behavior.

In FY2025, we will focus on growing our two main vitamin products, primarily *C1000*, which we renewed at the end of the previous fiscal year and whose brand we are working to strengthen. In the Lactobacillus business, which is centered on the United States and Europe, we will continue sales activities in Europe to expand sales. In Southeast Asia, we will work to expand profitability in the existing Thai business by focusing on expanding sales of *C-vitt*, which was launched in the previous fiscal year, and on developing new products. We will also aim to grow in the region by creating new markets in the Philippines, Vietnam, and other new areas.



Yoshiyuki Miyaoku
Director
General Manager of
Global Headquarters
House Foods Group Inc.

International Food Business

In FY2024, business in the United States faced challenges, including stagnating PBF* business unit sales due to consumers focusing on saving more money, and the impairment of goodwill arising from the acquisition of Keystone Natural Holdings, LLC. However, we see the tofu and low-additive vegetable protein markets where we operate as growth markets. First, we will work to improve the overall profitability of our business in the United States, and then move on to a phase where we can implement our medium- to long-term growth strategy. In our business in China last year, we focused on responding to market changes. In the household-use business, customers are changing where they store in response to uncertain economic conditions, and sales channels that match consumer behavior are seeing improved performance. In this environment, we focused on optimizing our inventory levels and establishing a system for concentrating resources on sales channels that are flourishing. In the food service business, we strengthened our proposal capabilities and made progress in developing new customers in the restaurant market.

In FY2025, we will restructure our business in the United States to grow business (increase market share and improve profitability), by, among other things, integrating functions previously dispersed across individual operating companies into House Foods Holding USA Inc., the business headquarters. In our business in China, we will take advantage of the organizational improvements we made in the household-use business last fiscal year, and will also develop effective sales promotion activities to mark the 20th anniversary of the launch of *Vermont Curry (Chinese)*. In the food service business, we will continue to work on developing new customers. In Southeast Asia, we have decided to build a new factory in response to the growth of our Indonesian curry business. We will continue to develop this as the third pillar of our curry business, following Japan and China.



Yoshiyuki Miyaoku
Director
General Manager of
Global Headquarters
House Foods Group Inc.

*PBF: Plant-based foods

Restaurant Business

In FY2024, we revised prices at our CoCo Ichibanya restaurants in Japan in response to rising rice and other food prices, as well as rising business costs, including labor and logistics costs. We also implemented marketing activities to attract a wider customer base, including strengthening TV commercials and menu initiatives. Overseas, sales were steady at overseas CoCo Ichibanya restaurants in the United States and the United Kingdom, and in the domestic subsidiary business, we expanded our business by promoting new store openings, and welcoming KOZOU Co., Ltd., which operates Ramen Kozou stores mainly in Osaka Prefecture, into the Group.

Since we expect food prices and other costs to continue rising in FY2025, we will once again focus on further improving QSC, which is the foundation of the restaurant business. At domestic CoCo Ichibanya restaurants, our core business, we will implement marketing measures using social media and other means to strengthen the brand in order to recover customer numbers, and we continue our global expansion of CoCo Ichibanya overseas by, among other measures, opening our first restaurant in Guam (United States) in May 2025. We will also accelerate the expansion of our domestic subsidiary business. We will continue to strive to become a “food entertainment company” so that we can continue to provide our customers with the “fun and excitement of food” in a variety of situations.



Mamoru Kuzuhara
President and
Representative Director
Ichibanya Co., Ltd.

For Our Customers (Business Strategy)

Overview of Business Segments

House Foods Group (FY2024)

